

ECONOMIC DEVELOPMENT COMMITTEE

DATE: April 22, 2009

CALLED TO ORDER: 5:33 p.m.

ADJOURNED: 7:10 p.m.

ATTENDANCE

ATTENDING MEMBERS

Jeff Cardwell, Chair
Jose Evans
Michael McQuillen
Doris Minton-McNeill
Mary Moriarty Adams

ABSENT MEMBERS

Barbara Malone
Ryan Vaughn

AGENDA

PROPOSAL NO. 104, 2009 - amends City-County Council Resolution No. 35, 2009 correcting the term ending date of Jeffrey Congdon as a member of the Ft. Benjamin Harrison Reuse Authority
"Do Pass" Vote: 5-0

PRESENTATION ON ECONOMIC IMPROVEMENT DISTRICTS – Kostas Poulakidas

PRESENTATION ON INDIANAPOLIS CONVENTION AND VISITOR'S ASSOCIATION – Don Welsh, President and Chief Executive Order (CEO)

ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee of the City-County Council met on Wednesday, April 22, 2009. Chair Jeff Cardwell called the meeting to order at 5:33 p.m. with the following members present: Jose Evans, Michael McQuillen, Doris Minton-McNeill and Mary Moriarty Adams. Absent were Barbara Malone and Ryan Vaughn. Also in attendance were President Bob Cockrum and Councillor Robert Lutz.

PROPOSAL NO. 104, 2009 - amends City-County Council Resolution No. 35, 2009 correcting the term ending date of Jeffrey Congdon as a member of the Ft. Benjamin Harrison Reuse Authority

Councillor McQuillen stated that this proposal is a technical correction and moved, seconded by Councillor Moriarty Adams, to send Proposal No. 104, 2009 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 5-0.

PRESENTATION ON ECONOMIC IMPROVEMENT DISTRICTS – Kostas Poulakidas

Mr. Poulakidas stated that he is an Economic Development and Public Finance Attorney with Krieg DeVault, and his firm also represents the Economic Development Commission for the City of Indianapolis. Mr. Poulakidas stated there is a relatively new tool being established called Economic Improvement Districts (EID). He said that EIDs are not really new to Indianapolis. The law has been on the books since 1988, but their use is relatively limited.

Mr. Poulakidas distributed a handout detailing some information about EIDs (attached as Exhibit A). Some key points include:

- EIDs are public-private partnerships where property owners elect to make a collective contribution to the maintenance, development and promotion of their property.
- EIDs are also known as business improvement districts that are widespread throughout the United States, approximately 430 nationally, and provide an economic and community development tool for municipalities, developers and property owners by allowing targeted control, financing and development of projects without creating additional financing burden on taxing units.

Mr. Poulakidas continued with his presentation discussing the EID advantages to property owners, developers and municipalities. Some key points are:

- Steady and reliable funding source for services and programs
- Potential to increase property values, improve sales and decrease commercial vacancy rates

- Additional equity
- Access to capital
- Tax deductibility of EID assessment
- Alternative to Tax Increment Financing (TIF) and tax based economic development
- EID assessment is not property tax levied
- No impact on tax rate and levy of tax units

Chair Cardwell asked about the terms. If a community organization has a project that they want to fund with a certain amount of dollars and they look at this option a term of 10 years, Chair Cardwell asked what happens after the project is funded in 10 years. He asked if they can put in an expiration date on the assessment. Mr. Poulakidas stated that they cannot. They can have an expiration date on the assessment, but there is no limitation on the term. It should not be made for more than a 20-to 25-year term. He said that a different amount can be assessed into three different classes of assessments.

Mr. Poulakidas stated that House Bill 1125, 2008 amended the Economic Development Commission statute to include an economic development project to be an EID project. He said that the amendment also widened the scope of an EID project, which can include infrastructure, utility, sewage, street and sidewalk improvements. Mr. Poulakidas explained some of the things that House Bill 1125 could not be used for, such as private or commercial golf courses, massage parlors, racetracks, airplanes, gambling facilities or any store where the sale of alcoholic beverages is for consumption off-premises.

Mr. Poulakidas discussed how some of the EID projects and services are paid for. Some key points are:

- Funds to pay for EID programs and services are generated from a special self-assessment paid by the benefited property owners.
- An EID assessment is a fee that each property owner pays to support the operations of the EID.

Mr. Poulakidas stated that services provided within the EID are not meant to take the place of services that the city already provides. He said that the EID is meant to supplement. He said that, for example, if an EID provides sanitation services, it will still receive the same level of service from the Department of Public Works as it did before.

Chair Cardwell asked if Mr. Poulakidas could give an example of how that has worked in other locations. Mr. Poulakidas stated that in Fort Wayne their EID is similar to Indianapolis Downtown, Inc. in that they use their EID to generate a funding revenue stream to fund programs that enhance their downtown.

Mr. Poulakidas discussed the EID creation steps and timeline. Some of the key points are:

- Submit petitions and proposed ordinance to legislative body.

- Legislative body may adopt the ordinance only if a majority of property owners are within the proposed district.
- The property owners constitute 2.3% of the assessed valuation in the district.
- Notice of public hearing on proposed EIDs 10 days prior to hearing.
- EID ordinance is adopted or denied by legislative body.
- EID board files annual report with legislative body summarizing its activities and expenditures.
- EID board submits its budget to Fiscal body.

Councillor Moriarty Adams stated that there are inner city neighborhoods that are poor, and their residents would not have the same incomes as some of the more affluent neighborhoods. She asked how the EID would be able to benefit the poorer neighborhoods just like it would benefit the more affluent ones. Mr. Poulakidas stated that one of the things they have thought about is the ability of the City or County to choose to supplement and partner with a certain district.

Councillor McQuillen asked why the city has not participated in the EIDs. Mr. Poulakidas stated that they did not have an incentive for a deduction to be a part of the EID, and with the property tax issues that arose a couple of years ago with citizens paying a higher property tax, asking them to add on to that made it hard for them to stomach.

Councillor Minton-McNeill asked if there is some type of survey that shows the pros and cons of poverty-stricken areas in comparison to the upper echelon areas. Mr. Poulakidas stated that he has not seen a survey based on that. Councillor Minton-McNeill asked if out of the 430 national EIDs, has there been any research to show how they are actually doing. Mr. Poulakidas stated that he would have to look into that and get back to Councillor Minton-McNeill with an answer.

Chair Cardwell asked if Mr. Poulakidas goes out to speak to some of the community groups. Mr. Poulakidas answered in the affirmative.

PRESENTATION ON INDIANAPOLIS CONVENTION AND VISITOR'S ASSOCIATION (ICVA)- Don Welsh, President and Chief Executive Officer (CEO)
James Wallis, Senior Vice President of Finance

Mr. Welsh stated that he moved to Indianapolis from Seattle nine months ago to take the position of President and CEO at the ICVA. Mr. Welsh showed a two-minute video for marketing the City and the Capital Improvement Board (CIB) done by Young and Laramore Advertising.

Mr. Welsh reviewed a powerpoint presentation in detail (attached as Exhibit B). Some key points are:

- ICVA has become a \$3.56 billion dollar industry (based on 2006 data) with 22 million visitors.
- \$225 million in state taxes and \$174 million in local taxes

- Provided 66,000 jobs

Mr. Welsh stated that the ICVA represents the hotels, restaurants, arts and attractions, and the airport. He said that the mission of ICVA is to advance Indianapolis tourism and economic growth. Mr. Welsh stated that on average, ICVA will book 40 city-wide conventions per year, have a 525,000 room night capacity and \$420 million in direct spending.

Mr. Welsh stated that the ICVA 2009 Leisure Campaign ads will have 10 different 15-second television spots which will show seven attractions, one hotel and accommodations, one sporting event and one nightlife and restaurants. He showed a clip of some of the ads.

Mr. Welsh continued with his presentation discussing the overview of ICVA. Some key points are:

- ICVA went from 61 full time employees in 2008 to 54 full time employees in 2009.
- Out of the 54 full time employees, 61% are female, 39% are male and 14% are minority.
- Indianapolis is currently the 36th largest convention destination and will move to 16th in 2011.
- The Convention Center and Lucas Oil Stadium (LOS) will go from 724,391 square feet to 1,204,638 square feet in 2011.

Mr. Welsh continued with his presentation discussing the challenges that the ICVA is facing. Some key points are:

- Client concerns during construction.
- Short time frame to sell expanded center.
- Competitive environment.
- Solve the CIB financial crisis.
- Provide funding at a competitive level for marketing.

Mr. Welsh stated that the ICVA is tied directly to the CIB. He said that 75% of the ICVA available funds come from the taxes collected that pass through the CIB. Mr. Wallis stated that ICVA has been at two percent of the CIB contract since 1992. Mr. Welsh stated that in 2008, the ICVA had a goal of 645,000 rooms per night that the sales team had to book. He said that moved flat in 2009 to 650,000. The ramp-up time to absorb this new business that is being brought into the marketplace with both LOS and the Convention Center puts ICVA in a steep ramp-up period. He said that this falls at a time where the revenues are at their lowest point. Mr. Welsh stated that while looking at the revenues ICVA receives, which are tied to the CIB, there is a direct correlation between business tax collections, and unfortunately, ICVA collects their fees through the CIB a year in arrears.

Mr. Welsh stated that since 1992, taxes have been increased, whether it has been hotel, food and beverage or sales tax. He said that one challenge ICVA has is that marketing funds have not been increased.

Mr. Welsh stated that the ICVA has a three-year plan for success. He said that if the ICVA receives the additional funding, they will be able to deliver \$1.6 billion in new revenue for the community over that three-year period. He said that 2009, 2010 and 2011 are critical years. Mr. Welsh stated that with the additional funding, lodging, meals, shopping, entertainment and transportation will generate that additional revenue. Mr. Welsh stated that if ICVA is granted the additional funding, they believe that they can generate 780,000 additional room nights, which will result in \$594 million in direct spending. He said that there will be 30 extra city-wide conventions per year, which will result in \$9.9 million tax revenue to the CIB and grow over 1,200 jobs. Mr. Welsh stated that if the ICVA is granted the additional \$5 million in new funding, it will deliver over \$14 million in sales tax in the year. Mr. Welsh stated that the CIB financial crisis must be solved in order to provide funding at a competitive level for marketing.

Chair Cardwell asked with regards to sales tax, if there is a particular cap amount that can be returned back to the sports district from the state. Mr. Welsh stated that the current Private Sector Development Association (PSDA) is believed to be generating about \$11 million. Mr. Wallis said that amount is based on the estimates they have made. He said that it is based on total spending in the Indianapolis area. Mr. Wallis stated that in the first three years, when the bulk of the tax revenue from the sales tax perspective is generating, it is going to happen all over the county. Chair Cardwell asked if they are taking that number county-wide and not just remnant to the sports district. Mr. Wallis stated that in those first three years, when it is primarily leisure traffic related, that traffic is pretty much distributed throughout the county, so it is not directly related to the sports development area.

Councillor Lutz asked why Mr. Welsh left Seattle to come to Indianapolis. Mr. Welsh stated that he saw a city that was moving to an entirely different level. He said that he thrives on new experiences like this one, and when he thinks there is an opportunity to take a city or a product to a different level, he loves that challenge.

Councillor Lutz asked how many times per year LOS is booked. Mr. Wallis stated that currently there are 55 groups scheduled to use LOS. He said that looking at the number of event days; the majority of those events are convention or meeting related. Mr. Wallis stated that ICVA deals with groups 14 months and further out. He said that right now, they have 50 groups currently on the books to be using just the stadium, as well as an additional 72 groups that will use both the stadium and the convention center. Councillor Lutz stated that saying LOS is only used eight or ten times per year by the Indianapolis Colts is an incorrect statement. Mr. Welsh answered in the affirmative. Councillor Lutz stated that he has heard that Conseco Fieldhouse has as many as 500 events per year, and asked if Mr. Welsh knows about that. Mr. Welsh stated that he has heard that statement, and between trade shows, concerts and sporting events, he understands that number is about right.

Councillor Lutz asked if ICVA would consider using LOS, Conseco Fieldhouse and the Convention Center as anchors. Mr. Welsh stated that in the context of what they do, they would absolutely use those as anchors.

Councillor Lutz asked if ICVA receives property tax funds. Mr. Wallis answered in the negative. Councillor Lutz asked how ICVA is funded. Mr. Welsh stated that ICVA is funded by the CIB with a contract that more or less ties back to their collection of hotel taxes. He said that it is two percent of what has been collected.

Councillor Lutz asked what would happen to the ability of ICVA to market Indianapolis to bring dollars into the city if the CIB financial crisis is not resolved. Mr. Welsh stated that the longer it goes on without resolution; it will impact ICVA's ability to launch the media campaign to the fullest extent. He said it will impact the hiring of sales persons to achieve business and it will continue to allow competitors to use that issue against Indianapolis in terms of winning business or keeping decisions from happening in Indianapolis.

Chair Cardwell asked Mr. Welsh to paint the worst case scenario if the CIB crisis is not resolved. Mr. Welsh stated that they would have to reduce staff, go further with cuts within the organization and cut marketing severely.

Councillor McQuillen asked Mr. Welsh if he has any ideas to resolve the CIB issues. Mr. Welsh stated that there needs to be a way that the cost is spread evenly and not going back to the same well all the time. He said that some type of regional participation would be the ideal solution. Mr. Welsh said that the city and state should not just keep raising taxes. Councillor McQuillen asked how a downtown casino would benefit Indianapolis. Mr. Welsh stated that it would change the perception of the community good or bad.

Councillor Evans referred to the slide discussing the challenges and asked how ICVA will change their strategy from five years down to two years. Mr. Welsh stated that ICVA has to look at restructuring and redeployment of their accounts in terms of who was calling on whom. He said that it will come down to hiring three more sales persons, one in Chicago and two here in Indianapolis, and a Vice President of Sales that can lead the team on a day-to-day basis. Councillor Evans stated that ICVA is asking for \$5 million dollars. He asked what the possibility is that the CIB would take that amount away from them if it were granted. Mr. Welsh stated that ICVA would ask the CIB to carve out these funds for the next three years, because they are not asking for those funds to be ongoing beyond 2012, since they will start to catch up by then.

Councillor Evans asked if ICVA was granted the \$5 million, how confident are they that the CIB will not take that away. Mr. Welsh stated that ICVA would have to ask the CIB to consider putting the request into some type of addendum to their agreement with ICVA that they will receive that additional funding.

{Clerk's Note: Councillor Moriarty Adams left at 6:58 p.m.}

Councillor Minton-McNeill stated that there are 50 groups currently booked to use LOS. She asked when these events are booked, where the booking fees go and how they are dispersed. Mr. Wallis stated that these are groups who have committed to bring their meeting or event to Indianapolis at a future date. Councillor Minton-McNeill asked to whom the booking fees are paid to. Mr. Wallis stated that the rental income goes to the CIB. Any revenue that is directly associated with that group while they are here in Indianapolis, is paid directly to those venues. He said that any ancillary spending that they do, those taxes are generated from that spending, and will indirectly come back to the CIB, the State and the City through tax revenues. Councillor Minton-McNeill asked if any percentage of those fees go directly to the owners of LOS. Mr. Wallis answered in the negative, stating that they would have to look at the contract with the Indianapolis Colts and LOS. He said that there is a certain amount of revenue from the stadium that goes to them, but they would have to look at their contract. Mr. Welsh stated that in terms of certain incentives, there is an incentive pool that is available from the CIB to provide incentives to certain groups to book them during certain periods. He said that incentive pool is on an annualized basis and it caps at \$750,000. Mr. Welsh stated that business has become so competitive over the last few years that ICVA has had to supplement that amount with two other sources of income that actually comes off of ICVA's operating revenue.

Councillor Lutz asked in Mr. Welsh's opinion, if the CIB financial crisis is not straightened out, what the direct impact will be on Indianapolis. Mr. Welsh stated that if the CIB issue is not handled as quickly as possible, the results will be catastrophic. Councillor Lutz asked if Mr. Welsh is receiving many questions from convention planners about the CIB. Mr. Welsh answered in the negative.

Chair Cardwell thanked Mr. Welsh for his presentation and said he looks forward to hearing from them in the future.

With no further business pending, and upon motion duly made, the Community Affairs Committee of the City County Council was adjourned at 7:10 p.m.

Respectfully Submitted,

JC/lw

Jeff Cardwell, Chair

Economic Improvement Districts



PRESENTED BY

Kostas A. Poulakidas, Esq.

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What is an Economic Improvement District – “EID?”

Economic Improvement Districts (“EIDs”) are public-private partnerships whereby property owners elect to make a collective contribution to the maintenance, development and promotion of their property and the projects they develop within an EID.

What Does An EID Do?

EIDs, also known as business improvement districts, are widespread throughout the United States (approximately 430 nationally) and provide an economic and community development tool for municipalities, developers and property owners by allowing targeted control, financing and development of projects without creating an additional financing burden on county and municipal taxing units.

EID Advantages to Property Owners:

- A steady and reliable funding source for supplemental services and programs.
- The potential to increase property values, improve sales and decrease commercial vacancy rates.
- A district that is better able to compete with nearby retail and business centers.
- Control funding for targeted project.

EID Advantages for Developers:

- Additional Equity.
- Access to Capital.
- Lower Cost of Capital.
- Reduction in Project Costs.
- Tax Deductibility of EID Assessment.

Advantages to Municipalities and Counties

- Alternative to TIF/Property Tax Based Economic Development.
- EID Assessment Not Property Tax Levy.
- No Impact on Tax Rate and Levy of Tax Units.
- EID Assessment Not Included With Circuit Breaker Credits.
- EIDs Within a TIF Increase TIF Increment.
- No Affect on Constitutional Debt Limit/Bond Capacity.
- No Petition Remonstrance or Referendum Process to EID Financed Bonds.

House Bill 1125 (2008) Amendments

Indiana Code 36-7-22-3 is amended to read as follows (Effective July 1, 2008):
Sec. 3. “Economic Improvement Project” means:

- Planning or managing development or improvement activities.

House Bill 1125 (2008) Amendments, con't.

- Designing, landscaping, beautifying, constructing, or maintaining public areas, **public improvements**, or public ways (including designing, constructing, or maintaining lighting, **infrastructure**, **utility facilities improvements and equipment**, **water facilities improvements and equipment**, **sewage facilities improvements and equipment**, **streets or sidewalks** for a public area or public way).

House Bill 1125 (2008) Amendments, con't.

- Promoting commercial activity or public events.
- Supporting business recruitment and development.
- Providing security for public areas.
- Acquiring, constructing, or maintaining parking facilities.
- Constructing, rehabilitating, or repairing residential property, **including improvements related to the habitability of the residential property.**

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House Bill 1125 (2008) Amendments, con't.

Indiana Code 36-7-11.9-3 is amended to read as follows (Effective July 1, 2008): Sec. 3. (a)

"Economic development facilities" includes land; interests in land; site improvements; infrastructure improvements; buildings; structures; rehabilitation, renovation, and enlargement of buildings and structures; **economic improvement projects under IC 36-7-22**; machinery; equipment; and furnishings for the following:

House Bill 1125 (2008) Amendments, con't.

- Facilities for manufacturing, warehousing, distribution, or processing of tangible or intangible property.
- Facilities for commercial, business, health care, or recreational activities (whether for profit or not-for-profit), except for any of the following:
 - ◆ Private or commercial golf course.
 - ◆ Country club.
 - ◆ Massage parlor.
 - ◆ Tennis club.
 - ◆ Skating facility (including roller skating, skateboarding, or ice skating).
 - ◆ Racquet sports facility (including any handball or racquetball court).
 - ◆ Hot tub facility.
 - ◆ Suntan facility.
 - ◆ Racetrack.
 - ◆ Airplane.
 - ◆ Skybox or other private luxury box.
 - ◆ Health club.
 - ◆ Any facility primarily used for gambling.
 - ◆ Any store the principal business of which is the sale of alcoholic beverages for consumption off premises.

How are EID Projects and Services Paid For?

- Funds to pay for EID programs and services are generated from a special self-assessment paid by the benefited property owners. The assessment can be billed and collected by the tax unit and then disbursed to the EID, which in turn delivers the district's services.
- An EID assessment is a fee that each property owner pays to support the operations of the EID. The sum of all the individual assessments that property owners pay comprise the total yearly assessment of the EID, and underwrite most, if not all, annual operating expenses.

IC 36-7-22-5 Apportionment of benefits

The benefits accruing to parcels of real property within an economic improvement district may be apportioned among those parcels on any basis reasonably representative of the diffusion of benefits from the economic improvement project, including the following:

- Proximity of the parcel to the project.
- Accessibility of the parcel to the project.
- True cash value of the parcel.
- True cash value of any improvement on the parcel.
- Age of any improvement on the parcel.
- Other similar factors.

IC 36-7-22-5 Apportionment of benefits, cont.

- (a) The apportionment of benefits under this subsection may be adjusted by zone or land use as provided in subsections (b) and (c).
- (b) If the benefit of the economic development project varies from one (1) area to another within the economic improvement district, up to three (3) zones may be established within the district to delineate the approximate difference in beneficial impact, and benefits may be apportioned accordingly.
- (c) In order to encourage the retention or development of various land uses within the district, assessments may be adjusted according to the zoning classification of the property.

Will City or County Services within the EID be Affected?

No. The services provided by the EID are supplemental to the services provided to the district by the city or county.

For example, if an EID provides sanitation services, it will still receive the same level of service from the Department of Public Works as it did before supplemental services were added.

Who Oversees an EID?

Each EID is governed by a Board of Directors. The Board of Directors manages and administers the EID.

IC 36-7-22-11 Ordinance; economic improvement board

Sec. 11. An ordinance adopted . . . must establish an economic improvement board to be appointed by the legislative body. The board must have at least three (3) members, and a majority of the board members must own real property within the district.

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EID Creation Steps and Timeline

Step 1:

- Submitting petitions and proposed ordinance to Legislative Body.

Indiana Code 36-7-22-7

(b) The legislative body may adopt the ordinance only if it determines that the petition has been signed by:

- (1) a majority of the owners of real property within the proposed district; and
- (2) the owners of real property constituting at least sixty-six and two-thirds percent (66 2/3%) of the assessed valuation in the proposed district.

Step 2:

- Notice of public hearing on proposed EIDs published (notice published at least 10 days before public hearing on proposed EIDs).

EID Creation Steps and Timeline, con't.

Step 3:

- Legislative Body Public Hearing

Step 4:

- EID Ordinances adopted by Legislative Body.

Step 5:

- EID Board mails notice of proposed assessment to EID property owners.

Step 6:

- EID Boards hold proposed EID assessment hearing.

Step 7:

- EID Board files annual report with Legislative Body summarizing its activities and expenditures.
- EID Board submits its budget to Fiscal Body budget.



Thank you.


Presented by:

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INDIANAPOLIS
DEPARTMENT OF GAME ELEVATION

Introductions

Don Welsh
President & CEO

Ronnie Burt
Senior Vice President of Sales

Mary Huggard
Vice President of Strategic Partnerships & Development

James Wallis
Senior Vice President of Finance, Administration & Technology

Warren Wilkinson
Senior Vice President of Marketing & Communications

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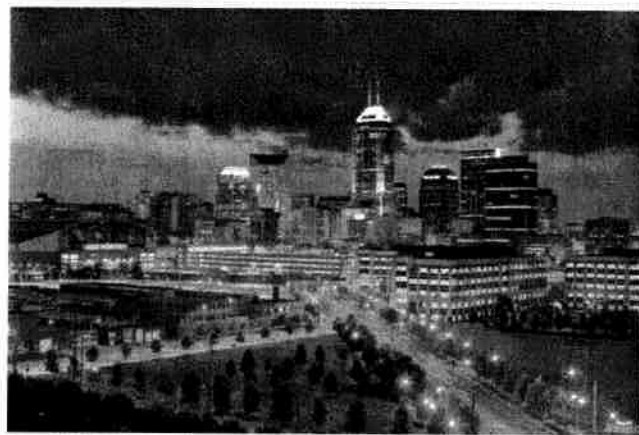
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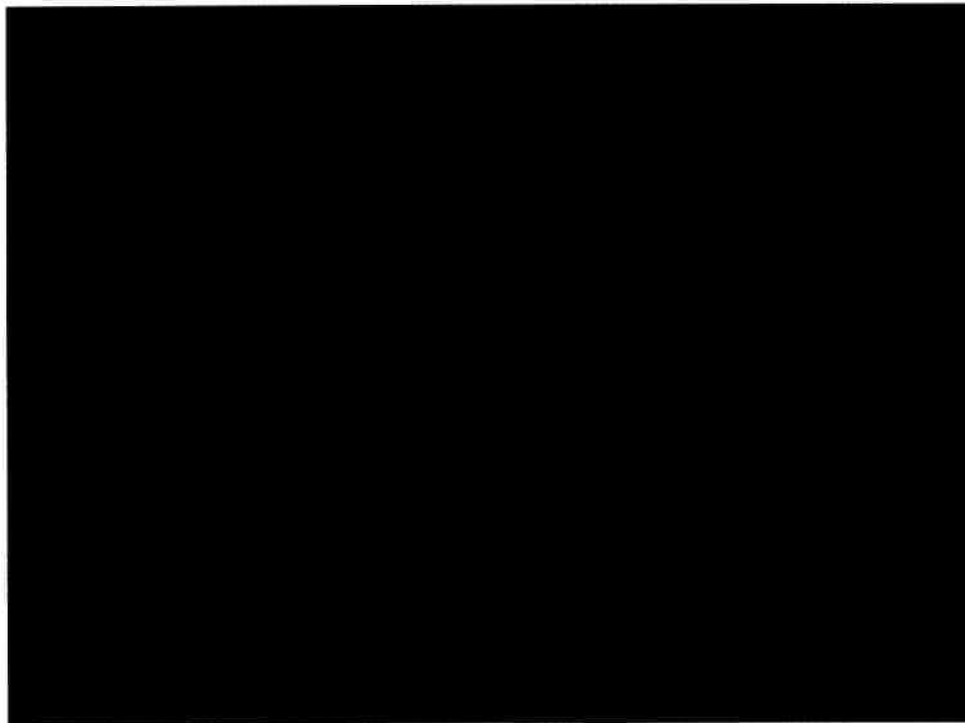


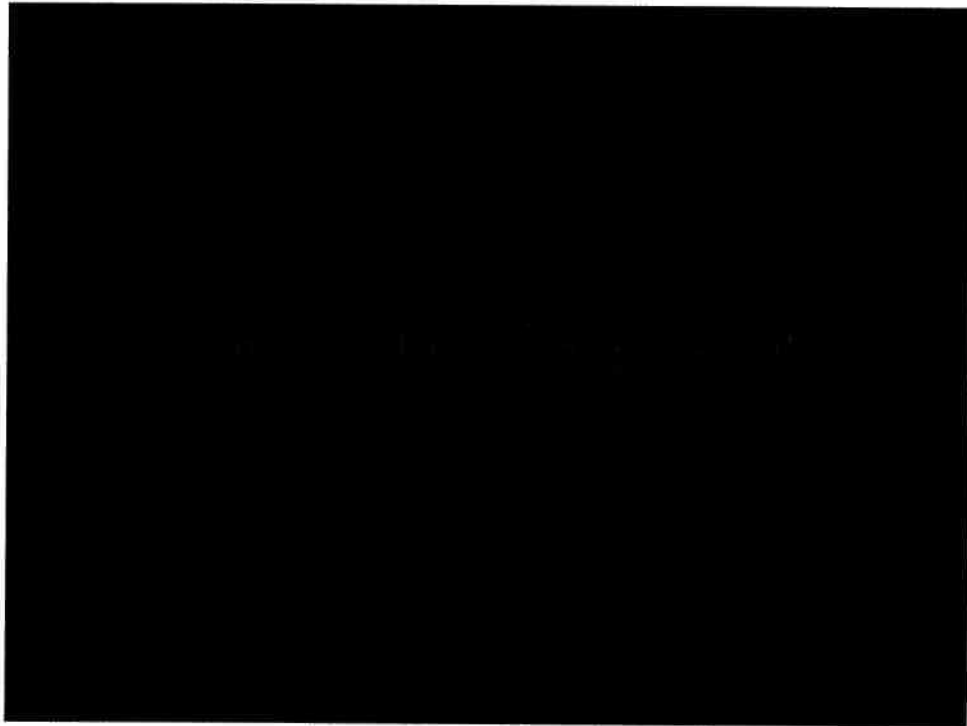
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DEPARTMENT OF GAME ELEVATION
Convention & Meeting Acquisition Division

Proudly Presenting

Indianapolis: Raising the Game

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What We've Become

\$3.56 billion industry
22 million visitors



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What We've Become

\$225 million in state taxes

\$174 million in local taxes



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What We've Become

66,000 jobs



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INDIANAPOLIS DEPARTMENT OF GAME ELEVATION

What Does ICVA Do?

- Increase number of visitors to Indianapolis



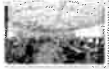
Hotels



Restaurants



Arts & Attractions



Airport

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INDIANAPOLIS DEPARTMENT OF GAME ELEVATION

ICVA Mission

- Advance Indianapolis tourism and economic growth
 - *Marketing arm of the CIB*
 - *Marketing arm for the city*

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Conventions & Meetings (2000-2008)

- 40 citywide conventions
- 525,000 room-night capacity
- \$420 million in direct spending

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Leisure (2008 Results)

- Chicago, Cincinnati, St. Louis and Louisville
- \$186 million in direct spending
- \$251 of direct spending for every ad dollar
- 342,621 room-nights

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2009 Leisure Campaign Ads

- 10 different 15 second TV spots
 - 7 attractions
 - 1 hotel & accommodations
 - 1 sports
 - 1 night life and restaurants

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Relaxing the game





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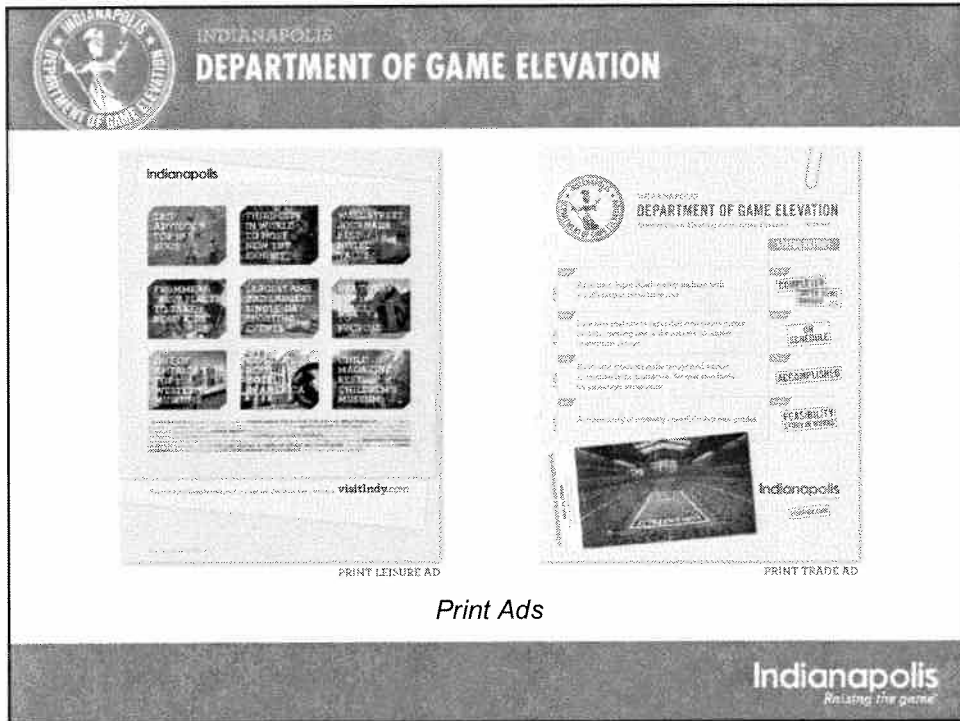


INDIANAPOLIS
DEPARTMENT OF GAME ELEVATION



Collateral Materials

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Print Ads



Web Site



INDIANAPOLIS DEPARTMENT OF GAME ELEVATION

New Indianapolis Based Partners

- Young & Laramore Advertising
- Emmis Communications

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INDIANAPOLIS DEPARTMENT OF GAME ELEVATION

ICVA Team Alignment - Reductions

Quantity	2008	2009
Full time	61	54
Part time	10	8

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ICVA Team Diversity

Demographic	All (54)	Management (10)
Female	61%	40%
Male	39%	60%
Minority	14%	20%

Indianapolis
Revolutionizing the game



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A Great New City

	Current	2011
Convention City	36 th	16 th
Convention Hotel > 1,000 rooms	No	Yes
Hotel Rooms in Downtown	4,772	6,400
Convention Center & Stadium	724,391 sf	1,204,638 sf
Airport	New & Improved	

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Revolutionizing the game



INDIANAPOLIS DEPARTMENT OF GAME ELEVATION



Equipment valued in excess of \$1 billion on display at stadium

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Hoisting the game



INDIANAPOLIS DEPARTMENT OF GAME ELEVATION

What are the Challenges?

- Client concerns during construction
- Short time frame to sell expanded center
- Competitive environment – all cities
- Solve CIB financial crisis
- Provide funding at a competitive level for marketing

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Hoisting the game



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DEPARTMENT OF GAME ELEVATION

Competing Convention Bureau Budgets

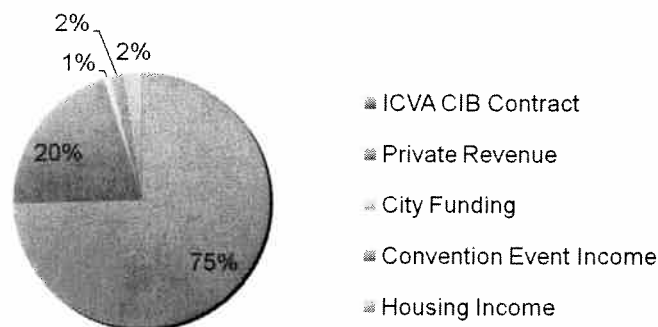
City	Budget		City	Budget
San Antonio	\$20.0 million		Seattle	\$13.5 million
Atlanta	\$19.3 million		Chicago	\$13.0 million
Denver	\$16.3 million		Philadelphia	\$12.3 million
Houston	\$15.5 million		Nashville	\$12.2 million
Dallas	\$15.0 million		Pittsburgh	\$11.0 million
St. Louis	\$15.0 million		Kansas City	\$10.7 million
Louisville	\$13.9 million		Indianapolis	\$10.5 million
Boston	\$13.5 million		Minneapolis	\$9.6 million

Indianapolis
Raising the game



INDIANAPOLIS
DEPARTMENT OF GAME ELEVATION

2009 ICVA Income (\$10.1 million)

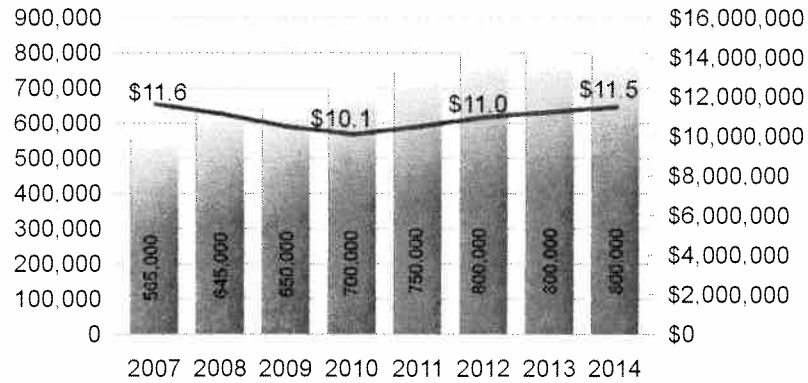


Indianapolis
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Room-Night Production and ICVA Budget

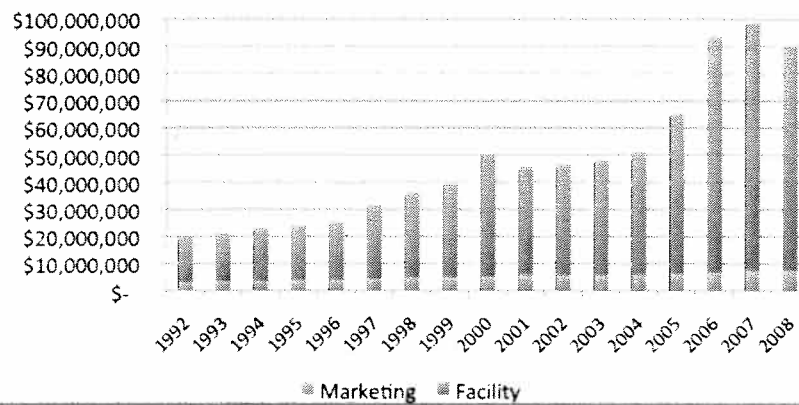


Indianapolis
Reinventing the game



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Facility Tax Investment

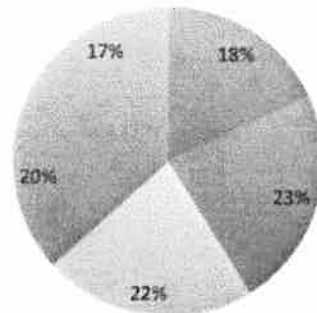


Indianapolis
Reinventing the game



INDIANAPOLIS
DEPARTMENT OF GAME ELEVATION
Convention & Meeting Acquisitions Division

3-Year Plan for Success (\$5 million for 2009, 2010, 2011)



\$1.6 Billion
(3 year funding)

- ▣ Lodging
- ▣ Meals
- ▣ Shopping
- ▣ Entertainment
- ▣ Transportation

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3-Year Plan for Success

Convention Segment – (Incremental)

- 780,000 room-nights
- \$594 million direct spending
- 30 citywide conventions per year
- \$9.9 million tax revenue to CIB
- 1,250 jobs at Marriott Place and ICCLOS alone

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3-Year Plan for Success

Leisure — (Incremental)

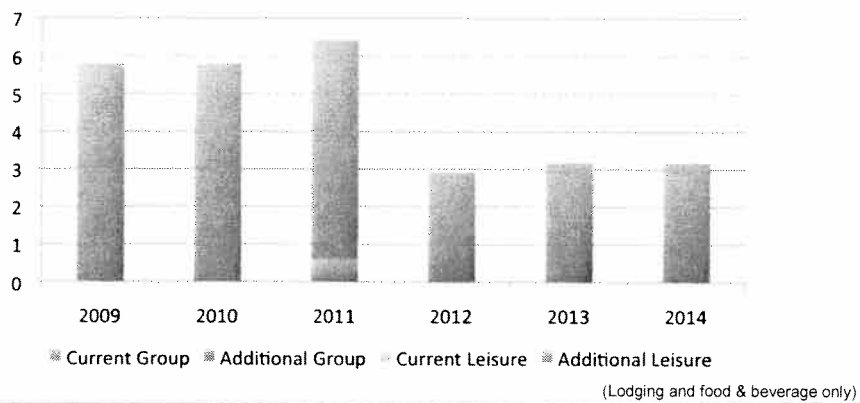
- 1,275,000 room-nights
- \$960 million direct spending
- \$17.4 million tax revenue to CIB

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INDIANAPOLIS DEPARTMENT OF GAME ELEVATION Convention & Meeting Acquisition Division

Incremental CIB Tax Revenues (millions)

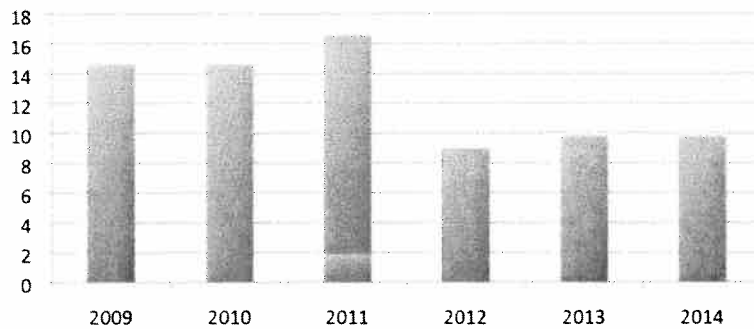


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Convention & Meeting Acquisitions Division

Incremental Sales Tax (millions)



■ Current Group ■ Additional Group ■ Current Leisure ■ Additional Leisure

Out-of-state visitors only

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Critical Needs

- Solve CIB financial crisis
- Provide funding at a competitive level for marketing

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Thanks

*from the 66,000 employees of the
Indianapolis hospitality industry!*

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